

**ASSEMBLY BILL**

**No. 819**

**Introduced by Assembly Member Ridley-Thomas**

February 18, 2005

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An act to add and repeal Article 13.52 (commencing with Section 18847) of Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 819, as introduced, Ridley-Thomas. Taxpayer contributions: California Colorectal Cancer Prevention Fund.

Provisions relating to the administration of personal income taxes allow individual taxpayers to contribute amounts in excess of their tax liability for the support of specified funds.

This bill would allow taxpayers to designate on their tax returns that a specified amount in excess of their tax liability be transferred to the California Colorectal Cancer Prevention Fund, which would be created by this bill. However, the bill would provide that a voluntary contribution designation for this fund may not be added on the tax return until another voluntary contribution designation is removed from that return.

This bill would require that all moneys contributed to the fund pursuant to these provisions, upon appropriation by the Legislature, be allocated to the Franchise Tax Board, the Controller, and the Stennis Family Foundation, as provided.

This bill would provide that these voluntary contribution provisions are repealed on January 1 of the 5th taxable year following the taxable year the fund first appears on the tax return. The bill would further provide that these provisions are repealed for taxable years beginning on or after January 1 of the calendar year in which the Franchise Tax

Board estimates by September 1 that the contributions made on returns filed in that calendar year will be less than \$250,000, or an adjusted amount for subsequent taxable years.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Article 13.52 (commencing with Section 18847)  
2 is added to Chapter 3 of Part 10.2 of Division 2 of the Revenue  
3 and Taxation Code, to read:

4  
5 Article 13.52. California Colorectal Cancer Prevention Fund  
6

7 18847. (a) An individual may designate on the tax return that  
8 a contribution in excess of the tax liability, if any, be made to the  
9 California Colorectal Cancer Prevention Fund established by  
10 Section 18847.1. That designation is to be used as a voluntary  
11 contribution on the tax return.

12 (b) The contributions shall be in full dollar amounts and may  
13 be made individually by each signatory on a joint return.

14 (c) A designation shall be made for any taxable year on the  
15 initial return for that taxable year and once made is irrevocable.  
16 If payments and credits reported on the return, together with any  
17 other credits associated with the taxpayer's account, do not  
18 exceed the taxpayer's liability, the return shall be treated as  
19 though no designation has been made. If no designee is specified,  
20 the contribution shall be transferred to the General Fund after  
21 reimbursement of the direct actual costs of the Franchise Tax  
22 Board for the collection and administration of funds under this  
23 article.

24 (d) If an individual designates a contribution to more than one  
25 account or fund listed on the tax return, and the amount available  
26 is insufficient to satisfy the total amount designated, the  
27 contribution shall be allocated among the designees on a pro rata  
28 basis.

29 (e) When another voluntary contribution designation is  
30 removed from the tax return, the Franchise Tax Board shall  
31 revise the form of the return to include a space labeled the  
32 "California Colorectal Cancer Prevention Fund" to allow for the

1 designation permitted. The form shall also include in the  
2 instructions information that the contribution may be in the  
3 amount of one dollar (\$1) or more and that the contribution shall  
4 be used to prevent colorectal cancer.

5 (f) A deduction shall be allowed under Article 6 (commencing  
6 with Section 17201) of Chapter 3 of Part 10 for any contribution  
7 made pursuant to subdivision (a).

8 18847.1. There is hereby established in the State Treasury the  
9 California Colorectal Cancer Prevention Fund to receive  
10 contributions made pursuant to Section 18847. The Franchise  
11 Tax Board shall notify the Controller of both the amount of  
12 money paid by taxpayers in excess of their tax liability and the  
13 amount of refund money that taxpayers have designated pursuant  
14 to Section 18847 to be transferred to the California Colorectal  
15 Cancer Prevention Fund. The Controller shall transfer from the  
16 Personal Income Tax Fund to the California Colorectal Cancer  
17 Prevention Fund an amount not in excess of the sum of the  
18 amounts designated by individuals pursuant to Section 18847 for  
19 payment into that fund.

20 18847.2. All moneys transferred to the California Colorectal  
21 Cancer Prevention Fund, upon appropriation by the Legislature,  
22 shall be allocated as follows:

23 (a) To the Franchise Tax Board and the Controller for  
24 reimbursement of all costs incurred by the Franchise Tax Board  
25 and the Controller in connection with their duties under this  
26 article.

27 (b) To the Stennis Family Foundation for the prevention of  
28 colorectal cancer.

29 18847.3. (a) Except as otherwise provided in subdivision (b),  
30 this article shall remain in effect only until January 1 of the fifth  
31 taxable year following the first appearance of the California  
32 Colorectal Cancer Prevention Fund on the tax return, and as of  
33 that date is repealed, unless a later enacted statute, that is enacted  
34 before the applicable date, deletes or extends that date.

35 (b) If, in the second calendar year after the first taxable year  
36 the California Colorectal Cancer Fund appears on the tax return,  
37 the Franchise Tax Board estimates by September 1 that  
38 contributions described in this article made on returns filed in  
39 that calendar year will be less than two hundred fifty thousand  
40 dollars (\$250,000), or the adjusted amount specified in

subdivision (c) for subsequent taxable years, as may be applicable, then this article is repealed with respect to taxable years beginning on or after January 1 of that calendar year. The Franchise Tax Board shall estimate the annual contribution amount by September 1 of each year using the actual amounts known to be contributed and an estimate of the remaining year's contribution.

(c) For each calendar year, beginning with the third calendar year that the California Colorectal Cancer Prevention Fund appears on the tax return, the Franchise Tax Board shall adjust, on or before September 1 of that calendar year, the minimum estimated contribution amount specified in subdivision (b) as follows:

(1) The minimum estimated contribution amount for the calendar year shall be an amount equal to the product of the minimum estimated contribution amount for the prior September 1 multiplied by the inflation factor adjustment as specified in paragraph (2) of subdivision (h) of Section 17041, rounded off to the nearest dollar.

(2) The inflation factor adjustment used for the calendar year shall be based on the figures for the percentage change in the California Consumer Price Index received on or before August 1 of the calendar year pursuant to paragraph (1) of subdivision (h) of Section 17041.

(d) Notwithstanding the repeal of this article, any contribution amounts designated pursuant to this article prior to its repeal shall continue to be transferred and disbursed in accordance with this article as in effect immediately prior to that repeal.